THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) Federation of Indian Chamber of Commerce and Industry (FICCI) have not conducted any survey of industriallists of all sizes in different sectors across the country where the question of threat perception of MNC's entry was raised and response received. However, one of the questions prepared for the survey carried out by FICCI on "impact of Economic Reforms on the Small Scale Sector" related to entry of MNCs (The survey covered only 98 respondents). While a number of respondents pointed out that allowing MNCs to invest in the equity of SSI units, there has been inflow of technology and finance and also the marketing networks, others expressed some threat perception as well.

(b) and (c) The Government's policy is to carefully analyse the effects of globalisation, calibrate it by devising a timetable to suit to national conditions and requirements, as laid down in the National Agenda for Governance.

Revenue loss suffered by States

2960. SHRI ASHOK MITRA: Will the Minister of FINANCE be pleased to state:

(a) the estimated total quantum of revenue loss suffered by the States becasue of the shortfall in the collection of direct taxes during 1997-98;

(b) whether it is proposed to compensate the States for this loss; and

(c) whether the amounts to devolve the State Governments in terms of the Finance Commission's recommendations have been fully transferred to the States in respect of receipts from the Voluntary Disclosure of Income Scheme?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) The estimated collectioins from Income Tax in Budget Estimates, 1997-98 and the Revised Estimates, 1997-98 are Rs. 21700 crores and Rs. 28750 crores (including Rs. 10050 crores under VDIS, 1997), respectively. States' share of Income Tax on the basis of the Budget Estimates, 1997-98 and the Revised Estimates, 1997-98 are Rs. 15691 crores and Rs. 21116 crores (Including Rs. 7594 crores under VDIS, 1997), respectively.

(b) The question of compensation does not arise. the devolution of States' share is as per commitment.

(c) Out of the total estimated collection of Rs. 10050 crores under VDIS, 1997, Rs. 7594 crores have already been paid to the State Governments in March, 1997. The individual States' share has been determined on the basis of the percentages prescribed by the 10th Finance Commission in respect of States' share in Income-Tax.

FDI in total annual investments

2961. SHRI S. RAMACHANDRAN PILLAI: Will the Minister of FINANCE be pleased to state the foreign direct investments cover of the total annual investments in the Indian Economy, over the last six years of economic reforms, year-wise?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): The details of Foreign Direct Investments received during last six years are as follows:

Year	Foreign Direct Investment received (in US $ Million)
1991-92	129
1992-93	315
1993-94	586
1994-95	1228
1995-96	1943
1996-97	2524

Transfers in banks beyond language area

2962. SHRI O. P. KOHLI: Will the Minister of FINANCE be pleased to state:

(a) whether as per Sastry Award, clerks in the private/public sector banks

are not to be transferred beyond the language area;

(b) if so, the reasons for South India based private banks like Vysya Bank Ltd. posting clerks to Delhi and parts of North India and steps taken to discontinue the practice; and

(c) whether no member of the central committee of Vysya Bank employes union is to be transferred from his/her place of posting, if so, the reasons for not honouring the agreement between the bank and the employees union and steps Government propose to take to enforce the agreement?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) Para 536 of the Sastry Award provides that "in the case of workman not belonging to subordinate staff, as far as possible, there should be no transfer outside the State or the language area in which an employee has been serving , except, of course with his consent".

(b) and (c) Govt. of India is not responsible for management functions like transfer etc. in private banks, such as Vysya Bank Ltd.

Private Finance Recovery Agencies

2963. SHRI JOHN F. FERNANDES: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of mushrooming "Private Finance Recovery Agencies" throughout the country, despite there being no law to establish such agencies;

(b) if so, how many such agencies are operating in the country, State-wise;

(c) whether to stop the menace of extortion and high-handedness and at times, their taking law in their own hands by bypassing legal practices Government intends to pass legislation and legalise these agencies; and

(d) if so, by when?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) to (d) RBI's information reporting system does not generate information in the manner asked for. However, on the basis of some complaints received against a foreing bank in 1997 regarding use of private collection agents and the use of muscle power by such agents for collection of dues, the RBI had called for a report from the Bank. The Bank is reported to have denied the use of muscle power and advised that the follow-up and collection of dues is done by their 'Authorised Business Associates' which is within the parameters of law.

Imposition of direct Tax Laws in Sikkim

2964. SHRI PRANAB MUKHERJEE: Will the Minister of FINANCE be pleased to state:

(a) whether the Chief Minister of Sikkim has urged the Central Government to adjourn all pending cases relating to imposition of Direct Tax Laws in the State till the matter was resolved; and

(b) if so, the detaitls thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) Yes,Sir.

(b) In a memorandum handed over by the Chief Minister of Sikkim to the Prime Minister on 29.6.98, it was requested that the provisions of Income-tax Act should not be made applicable to Sikkim as it amounts to violation of Article 371 F of the Constitution. Alternatively, he has requested that the Indians of Sikkimese origin as identified vide Sikkim Citizenship Orders, 1975 may be exempted from the purview of the Income Tax Act, 1961 leaving them to pay tax under the purview of the Income Tax Act, 1961 leaving them to pay tax under the State Tax Laws. It is also requested that till such time the matters is resolved, the Ministry of Finance be